

2014/15 Social Responsibility Report

At BCLC we strive to be socially responsible in everything we do. In 2015 we updated our Social Responsibility (SR) Charter to better align with our corporate goals – Player, People, Public and Profit. The principles in the Charter outline what we believe in and how we'll conduct ourselves. Our commitment to social responsibility is further strengthened by our employees, communities and partners every year.

Our approach to social responsibility reporting is continuously evolving. Last year, we published a separate SR report for the first time, and this year, we've created an online report on BCLC.com, providing our stakeholders with a more dynamic reading experience.

From game-changing responsible gambling programs, research and conferences, to event sponsorships and community outreach, BCLC is working hard to earn public support and in turn, we're supporting social, economic and environmental benefits for B.C. We encourage everyone to explore this report and learn more about how BCLC is playing it right.

Message from the CEO

We conduct and manage gambling in a socially responsible manner for the benefit of British Columbians. This is the mission that guides BCLC in conducting day-to-day business in a socially-responsible manner. Creating economic and social benefits for British Columbians, while limiting our environmental footprint, is core to who we are. This is what sets us apart from other organizations and supports our social licence to operate.

Integral to this commitment is building on our adherence to Global Reporting Index (GRI) guidelines, a set of social-responsibility standards that help ensure BCLC goals and metrics meet international best practices in sustainability reporting.

In 2014/15, we transitioned to publishing our report solely online, which underscores accountability, accessibility and transparency. We also revised our Social Responsibility Charter to gain better strategic alignment with our corporate goals: Player, People, Public and Profit, outlined below.

Player: we strive to ensure that each and every player has fun and enjoys gambling in a responsible way. This means we must continue to build a healthy gambling environment that evolves with changing needs and preferences. BCLC is proud to have increased player awareness of responsible gambling actions and resources over the past 12 months – a direct result of our diligence to ongoing improvement.

People: a fun and challenging work environment where people can grow and excel fosters healthy motivation to drive our business forward. Last year, despite an extraordinary year of change and uncertainty, BCLC employees remained resilient and engaged, while also achieving landmark accomplishments such as the complete installation of our new casino gaming management system, the launch of B.C.'s first live venue sports betting pilot, and the expansion of lottery distribution through a new retail agreement with Costco, to name a few.

Public: community engagement is key to our sustainability. Along with supporting local economies, charities and causes, BCLC listens and responds to citizens, operates openly and transparently, and demonstrates environmental stewardship. While 2014/15 performance shows public perception of BCLC continues to improve, opportunities exist to further strengthen recognition. In the coming years, we will continue to communicate BCLC's positive contributions to economic growth and communities across B.C. – such as through our Play it Forward campaign – so that our business is better understood and welcomed by British Columbians.

Profit: BCLC achieved record-high net income in 2014/15 which benefits all British Columbians through funding for health care, education and non-profit organizations. This success is largely due to prudent cost management and exceptional performance from high-limit table games.

Despite a record financial year, we are facing unprecedented challenges which include a mature market and increasing costs. In order to respond to these challenges, BCLC must continue to manage costs while focusing on revenue generation. BCLC must introduce new, relevant content and play experiences that appeal to a broader player base while leveraging established distribution channels, introducing new ones, and scaling and selling our innovations and expertise.

Looking forward, our focus on content and experience will reinvigorate revenue generation and allow us to meet our social responsibility objectives while creating sustainable net income growth for the benefit of generations to come.

Sincerely,
Jim Lightbody, President & CEO

Approach

Scope of Report

This report presents the material issues and impacts of our activities during the fiscal year that began on April 1, 2014 and ended on March 31, 2015. It covers operations under BCLC's direct control. It does not

include the SR performance of facilities that are operated by our service providers: casinos, community gaming centres, bingo halls or lottery retail locations. While we continue to support our service providers' and lottery retailers' efforts to improve their SR performance, SR outcomes in the industry as a whole reflect a combined effort.

Audience

Each year, BCLC engages with hundreds of stakeholders throughout the province including local governments, chambers of commerce, boards of trade, business and industry associations, the public health sector, and community service groups. Our goal is to facilitate informative dialogue with individuals and organizations who have an effect on, or are impacted by our business. Through a series of internal workshops we have identified 16 stakeholder groups which can either influence or which are influenced by BCLC's operations. Ten groups are prioritized as the target audience for this report (in italics):

- *BCLC employees*
- *Communities*
- *Crown Corporations*
- *First Nations*
- *Local and Regional Governments*
- *Provincial Government and Regulator*
- *Players*
- *Public*
- *Public Interest Groups*
- *Service Providers and Retailers*
- *SR Practitioners*
- *Gaming Grant Recipients*
- *Lottery and Gambling Industry*
- *Media*
- *Public Health, Prevention and Treatment Groups*
- *Suppliers*

GRI

This report contains standard disclosures from the Global Reporting Initiative (GRI) guidelines, but does not fulfill all the requirements of either 'core' or 'comprehensive' in accordance options. This report has not been externally assured by GRI.

Fun Fact

BCLC sponsors Music in the Park in Kamloops, North America's only free live music series held for 60 nights every summer.

Material Issues

Defining Report Content

According to the Global Reporting Initiative (GRI), an international reporting standard, organizations should report on issues that reflect significant economic, environmental and social impacts, or that substantively influence the assessments and decisions of stakeholders. Such issues are referred to as being 'material'. Best practices in SR reporting require that organizations undertake a materiality analysis to define the appropriate topics to report. In 2013, we engaged BCLC staff, executives and the SR Committee to draft a materiality matrix detailing the issues most prevalent for BCLC and our stakeholders. This year, a cross-divisional sub-committee was formed to expand on the materiality analysis conducted in previous years and to provide more context.

To begin, a broad list of topics relevant to BCLC and our stakeholders was considered. This list included topics that had previously been determined to be material, as well as issues with potentially increasing impacts within or outside the organization. Each issue was examined and plotted on a materiality matrix. In examining each issue, the GRI G4 reporting principles guided the committee's discussion and ultimate decisions. These principles are: materiality (covering aspects that reflect significant impacts to BCLC and

are of the most importance to stakeholders); stakeholder inclusiveness (identifying stakeholders and responding to their concerns); sustainability context (presenting performance in the wider context of sustainability issues); and completeness (covering issues significant to reflect economic, social and environmental impacts and performance). For additional context, the level of control that BCLC has for each issue (low, medium or high) was also indicated. This classification provides more perspective on the influence that BCLC has on various issues.

The results of the materiality exercise guided the content for this year's social responsibility report. All highly material issues are addressed in this report. Medium materiality issues were given some coverage and issues considered low-material were not reported. BCLC's SR Committee reviewed and approved the final materiality plot. This committee is comprised of directors and managers from across the organization who have regular contact with various stakeholder groups.

Fun Fact

The past three decades have seen BCLC generate \$18.6 billion for the Province of B.C. – supporting government programs and services including education and health care.

Ethics and Integrity

At BCLC we depend on public confidence in the security of the systems and the people involved in providing our products and services. We therefore need to conduct our business with the highest level of integrity. Ethical conduct has been identified as a material issue to BCLC.

As a Crown corporation, we represent the Government of B.C. in our actions and we are subject to the Gaming Control Act under which each employee or onsite supplier is registered.

BCLC has developed Standards of Ethical Business Conduct, which reflect our values and beliefs and we require every BCLC employee to fulfil our ethical promise to conduct our business with professionalism, honesty and integrity. BCLC's Standards of Ethical Business Conduct are governed by accountability principles defined by the Government of British Columbia and the Standards of Conduct Guidelines for the B.C. Public Sector. The Standards will continue to be reviewed on a regular basis and revised as necessary.

Strategic Challenges

In an effort to provide more context and transparency, BCLC has identified key strategic challenges that influence our social responsibility approach and performance. These challenges reflect broad issues in the gambling industry that are generally outside of the direct control of BCLC, and are consistent from year to year. Below we have described two of the primary strategic challenges we face.

Stigma surrounding gambling-related issues

As part of BCLC's responsible gambling efforts, education, programs and training are designed to connect players to the right resources. However, for many, the stigma of problem gambling or mental health issues prevents them from seeking information and/or help. Furthermore, cultural barriers may play a factor in whether a player will choose to participate in services that are available. For example, only 10% of participants in the Voluntary Self-Exclusion program seek help from a counsellor. We design messaging and communication materials to help alleviate stigmas associated with seeking help and are continuously looking for new ways to start conversations with players. The GameSense brand in particular is designed to be open and approachable and has been an effective tool to reach our players and their families. As our responsible gambling programs evolve, we will continue to seek new ways of connecting people to the right resources.

Shared responsibility for SR

Social responsibility outcomes reflect a combined effort of BCLC, our service providers, the Government of British Columbia and players. BCLC has direct control over our operations and our two corporate offices, however the greater impacts involve many other parties that we can only influence. Every day, players from across the province interact with lottery retailers, casino staff and others in the gambling industry. We continue to support our service providers' and lottery retailers' SR performance improvement

through compliance and accreditation programs, such as RG Check, as well as reporting tools, such as our online SR reporting software. In the future, better sharing of successes and best practices will help all partners in the gambling industry achieve their SR goals.

Fun Fact

British Columbia has a lottery outlet for every 916 adults and generates the third-highest lottery revenue in Canada.

Performance

BCLC's Board of Directors and Senior Executive conduct an annual review of our performance framework, which includes our vision, mission, goals, objectives, specific metrics and associated targets to gauge our overall performance. Wherever possible, BCLC gathers benchmarking information from other gambling jurisdictions to assess our performance relative to comparable businesses in our industry. We currently benchmark to the Ontario Lottery and Gaming Corporation (OLG), Loto-Québec (LQ), the Swedish lottery Svenska Spel and the Canadian gambling average exclusive of BCLC's results.

BCLC's SR performance framework includes 11 corporate measures and 21 SR specific measures relevant to our four corporate goals: Player, People, Public and Profit. These four perspectives are used

to manage the short, medium and long-term views of our business in a cohesive manner. An overview of our performance, including prior results and future targets is available in our SR Performance Framework.

Player

BCLC has developed a world-class responsible gambling program that provides players with education, tools and resources to keep gambling fun. Through research, community outreach and our acclaimed GameSense program, our focus is on making every play a healthy play.

Below are a few highlights of our achievements in 2014/15:

GameSense goes International

BCLC's acclaimed GameSense program provides education, tools, outreach and problem gambling support to all of our players. The program spans all BCLC channels and environments including: online resources; on-site interactive kiosks; GameSense Info Centres (GSICs) and Advisors; TV ads; and point-of-sale messaging. In 2014, BCLC continued to build on this scope and scale. Both Manitoba and Saskatchewan are GameSense licensees, and in early 2014, Alberta and Massachusetts announced adoption of the brand, paving the way for other US markets. These and other interested jurisdictions also attended BCLC's inaugural GameSense Summit in February 2015.

New Horizons in Responsible Gambling Conference

In February, 266 delegates from eight Canadian provinces, 13 U.S. states and 11 countries attended BCLC's 3rd annual New Horizons in Responsible Gambling Conference to share insights and hear from academic, treatment and prevention experts. The three-day Vancouver event featured workshops, guest speakers and forums on outreach, harm reduction, stigma and more, informed by global research and player data. 2015 highlights included the Hon. Michael de Jong, Minister of Finance and Minister Responsible for BCLC, announcing The Plan for Public Health and Gambling, and timely focus group findings from the new Centre for Gambling Research at UBC.

Centered in Research

Key to leading the industry in effective responsible gambling programs and gaming policy is clinical research in this rapidly-evolving field. To generate independent insight, the Province and BCLC jointly committed \$2 million over five years to the new Centre for Gambling Research at the University of British Columbia. BCLC's portion is funded by the forfeited winnings of Voluntary Self-Exclusion registrants. Opened in November and led by a cognitive neuroscientist specializing in problem gambling and addiction, studies into social, behavioural and psychological aspects of gambling are helping advance strategies nationally and globally.

Responsible Gambling Awareness Week

The more informed people are, the more likely 'Every play is a healthy play.' So for the past four years, BCLC has teamed with the Gaming Policy and Enforcement Branch and community partners to bring our mobile RGAW kiosk to malls, recreation centres, seniors' facilities, universities and community events across B.C., raising awareness about responsible gambling practices and support services. In March, together with our service providers and civic partners in Kamloops and Richmond, we hosted 'OK TO PLAY?' educational activities, workshops and informative events to ensure players and the public make good gaming decisions.

Leading Prevention

Criminals everywhere try to compromise financial and detection systems and BCLC is not immune. To supplement high-level security, surveillance, cash alternatives, and FINTRAC intelligence to trail suspicious activity, BCLC continues to introduce cutting-edge measures. In tandem with a software specialist, a customized anti-money laundering (AML) platform was created for BCLC facilities. This scalable technology with 360° profiles and risk alerts based on global watch criteria is an industry first. BCLC has also assembled an AML investigative team trained to gold standards by the Association of Certified Anti-Money Laundering Specialists and vetted by the Justice Institute of B.C. And finally, RCMP and BCLC have partnered to share information to proactively identify and ban gang and organized crime members, and patrons who pose a threat to our players and public.

Fun Fact

Performance measurements in 2014/15 show that responsible gambling awareness has increased from previous levels. Gains have also been made in public recognition of BCLC's positive contributions.

Player Satisfaction

Player Satisfaction
(%)



Source: Research & Incite Consultants (2011/12 to 2012/13 Quarter 3) and Ipsos Reid Corporation (2012/13 Quarter 4 onwards).

Player Satisfaction measures the percentage of our players expressing satisfaction with their experience in each of BCLC's gambling channels.

In 2014/15, player satisfaction was very positive, but below our target. This is due to players providing softer satisfaction ratings and based on player feedback, opportunities exist to enhance the player experience of games and distribution channels.

Our goal is to increase player satisfaction in the coming years by:

- Ensuring that players who visit PlayNow.com from mobile devices have an experience which is optimized for their device;
- Leveraging the benefits of the new gaming management system that supports our casino business and providing entertaining products in all gaming facilities; and
- Working with our retail partners to deliver enhanced experiences and new distribution points for lottery players.

More on this measure

Our business is focused on our players. They have many entertainment options to choose where they will spend their discretionary time and dollars. Player Satisfaction measures BCLC's overall success in transforming to become more player-centric, to meet our players' expectations and to create outstanding entertainment experiences with our games and services.

This metric is related to the following material issues:

Player experience, stakeholder engagement, product mix, player privacy

Benchmarks and Data Reliability

How we measure and benchmark

A third-party research professional conducts a continuous tracking study to measure Player Satisfaction on our behalf. The survey is conducted online among a random sample of B.C. adults aged 19 and older. The sample is representative of the B.C. adult population with respect to gender, age and region. The annual target sample size is 3,000 survey participants.

Players who played in one of BCLC's gambling channels at least once every three to five months are asked to rate their level of satisfaction with their last experience in each channel on a 10-point scale. For each player, an average satisfaction score is calculated using their satisfaction scores in all channels they play in.

Player responses in the top five box scores are then aggregated and expressed as a percentage to get the aggregate satisfaction.

Player Satisfaction is internally benchmarked on a time series basis. We have not externally benchmarked the measure as we have not identified comparable data published by other gambling jurisdictions.

Data Reliability

The survey to measure Player Satisfaction is independently conducted by a third-party research firm. The survey uses market research industry standard techniques to randomize the sample, while retaining a gender, age and regional balance that is consistent with B.C.'s population figures available from Statistics Canada's Census.

Player Participation

Player Participation
(%)



Source: Research & Incite Consultants (2011/12 to 2012/13 Quarter 3) and Ipsos Reid Corporation (2012/13 Quarter 4 onwards). 2012/13 Player Participation results are based on survey results for the first three quarters for the year, excluding fourth quarter results due to a change in survey questions.

Player Participation measures the percentage of adult British Columbians who play a BCLC game in any of our gambling channels at least once a month.

In 2014/15, player participation was below target. Fewer high lottery jackpots, particularly in the first three quarters of 2014/15, may have contributed to lower-than-targeted results. We plan to grow player participation by appealing to infrequent players while retaining our current player base. We will:

- Listen to our players to gain insight and learn preferences in order to deliver relevant products and experiences that provide great value for money;
- Refine our marketing programs to enhance the entertainment experiences within and across player touch points; and
- Leverage PlayNow.com across multiple channels and devices to deliver effective and relevant products and services with optimal player convenience.

More on this measure

This measure is an indicator of how successful we are in creating entertaining and relevant experiences so players purchase our games. We do this to maintain existing play and attract infrequent players to play our games.

This metric is related to the following material issues:

Player experience, stakeholder engagement, product mix, player privacy, broadening gambling participation

Benchmarks and Data Reliability

How we measure and benchmark

A third-party research professional conducts a continuous tracking study to measure Player Participation on our behalf. The survey is conducted online among a random sample of B.C. adults aged 19 and older. The sample is representative of the B.C. adult population with respect to gender, age and region. The annual target sample size is 3,000 survey participants.

Participants are asked how frequently they play our games in any of BCLC's channels. The result is an aggregate score for those players who played at least once a month in any of our channels.

Player Participation is internally benchmarked on a time series basis. We have not externally benchmarked the measure as we have not identified comparable data published by other gambling jurisdictions.

Data Reliability

The survey to measure Player Participation is independently conducted by a third-party research firm. The survey uses market research industry standard techniques to randomize the sample, while retaining a gender, age and regional balance that is consistent with B.C. population figures available from Statistics Canada's Census.

Net Win Per Capita

Net Win Per Capita
(\$)



Source: Audited Financial Statements and Statistics Canada

Net win is the calculation of sales less prizes. For lottery and bingo games net win is calculated by deducting prizes from total sales. Casino game prizes are paid during game play. This measure is indexed to the total population allowing BCLC to benchmark to other jurisdictions. Net win is divided by publicly reported population figures to obtain the per capita metric. Since legal gambling age varies between jurisdictions, total population figures are used. Population projections are updated based on the most recent information available.

In 2014/15, BCLC's net win per capita increased over the previous year and exceeded our target. This is due to a higher rate of growth in net win compared to population growth. 2014/15 net win increase was generated primarily through high-limit table play. This category is heavily dependent on an international player base and is directly tied to the tourism industry. The recent slowdown in some national economies and international currency restrictions present business risks. 2015/16 targets project high-limit table net win will stabilize after two years of significant growth.

More on this measure

Net Win per Capita tells us how successful we are in growing revenue in relation to the provincial population. The Net win per Capita measure is widely used in the gambling industry so that consistent benchmarking is possible. BCLC benchmarks to Loto-Quebec, Ontario Lottery and Gaming Corporation, and the Canadian average (without BCLC data).

This metric is related to the following material issues:

Player experience, community socio-economic benefits, broadening gambling participation, product mix

Benchmarks and Data Reliability

How we measure and benchmark

Net win is the revenue after prizes have been paid to players. Casino game prizes are paid during game play. For lottery and bingo games, net win is calculated by deducting prizes from total sales revenue.

Net Win per Capita is widely used in the gambling industry. As the age at which legal gambling is permitted varies between jurisdictions, BCLC's calculation is indexed to the total population rather than specifically to B.C.'s adult population, allowing us to benchmark consistently to other jurisdictions.

Current data from benchmark comparators is not available. Historically, BCLC has outperformed benchmark organizations Loto-Québec (LQ) and Ontario Lottery and Gaming Corporation (OLG).

Data Reliability

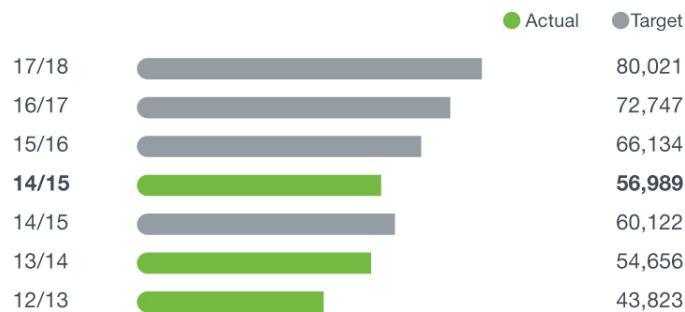
Net Win figures are taken from our audited financial statements published in our Annual Service Plan Report.

Population figures are from Statistics Canada figures published in July each year and used as the baseline for our calculations for each of the years included in the Service Plan.

Forecasts and targets are calculated by BCLC and are reviewed with Treasury Board prior to inclusion in the Service Plan

Player Interactions at GameSense Info Centre (GSICs)

Player Interactions at GameSense Info Centre (GSICs)



Source: BCLC internal reporting (BCLC utilizes a customer interaction database that allows GSAs to provide customer interaction information in real-time, via smartphones).

GameSense Info Centres (GSICs) are located in every B.C. casino and community gaming centre. Visitors are encouraged to think about responsible gambling through fun and engaging activities that are complemented by takeaway information.

In the past year, 22 GSAs staffed GSICs at casino locations and logged more than 35,000 hours. BCLC developed and oversaw the delivery of 54 educational activities to gambling facility visitors and staff. These activities were designed to increase awareness of the GameSense Info Centres, help players understand the house edge in games of chance and how the games work, and provide them with problem gambling resources. During this year, GSAs recorded almost 57,000 individual interactions with casino visitors. Due to unforeseen circumstances, fewer GameSense advisors were available to carry out educational activities and interact with patrons, which resulted in the total number of interactions being slightly less than the 2014/15 target. Staffing levels have resumed to normal levels and we anticipate interactions to increase accordingly in 2015/16.

More on this measure

This measure tracks progress towards our SR strategy of maintaining a world-class responsible gambling program. GameSense Advisors (GSAs) are contracted through the Province. They staff the centres located at casinos to provide personalized education on responsible play strategies; support and training for venue staff to reinforce Appropriate Response Training principles; and they provide assistance related to problem gambling and completion of the Voluntary Self-Exclusion process. More interactions indicate that more people are learning about gambling responsibly.

This metric is related to the following material issues:
Responsible gambling, player experience, stakeholder engagement

Benchmarks and Data Reliability

How we measure and benchmark

Number of Player Interactions at GameSense Info Centres (GSICs) measures the total number of interactions that GameSense Advisors (GSA) have with players at casino and community gaming centre facilities about responsible gambling.

In 2013/14, BCLC adopted a national framework for data collection at responsible gambling information centres. The national framework provided an opportunity to align data collection methods across Canadian jurisdictions. This standardization of data collections provides BCLC with the ability to benchmark our results with other Canadian jurisdictions to better evaluate the performance of our GSICs. This framework is in the process of being adopted by other Canadian jurisdictions and benchmarking data is expected to be available in future years.

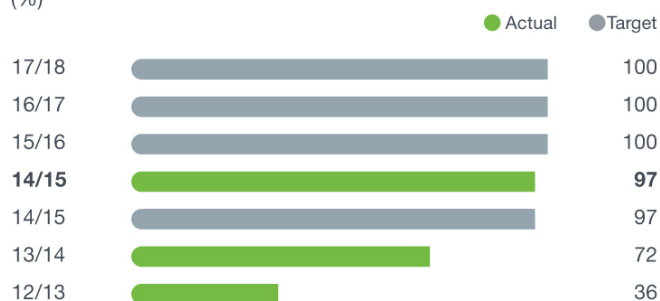
Data Reliability

In 2013/14, BCLC updated how we measure and collect customer interaction data based on a new national framework. As part of that process, BCLC implemented a customer interaction database that allows GSAs to provide customer interaction information in real-time, via smartphones and provides instant reporting capability to BCLC.

Casinos and Community Gaming Centres Certified by RG Check

Casinos and Community Gaming Centres
Certified by RG Check

(%)



Source: RG Check independent assessment panel, internal reporting.

RG Check is an accreditation program created by the Responsible Gambling Council (RGC) based on standards and criteria reflecting international best practices. The RGC is an independent non-profit organization dedicated to problem gambling prevention.

Since the program's launch in 2011/12, all but one of BCLC's 36 facilities has passed, with our newest facility pending certification (currently completing the process). Certification is valid for three years, at which point facilities are required to undergo a re-certification process to maintain their status. We also continue to implement recommendations from the RGC, identified in RG Check reports, to improve our policies and programs.

More on this measure

This measure tracks progress towards our SR strategy of supporting our service providers in developing effective responsible gambling practices. RG Check offers gambling companies the opportunity to qualify for an independent endorsement of their responsible gambling safety net. Through the certification process, RGC evaluates eight areas, including: corporate policies, self-exclusion, advertising and promotions, informed decision making, assisting patrons, access to money, game and venue features, and employee training. Certification is valid for three years. This performance measure is cumulative. We introduced the program in 2011/12 and our target is to have all BCLC casinos and community gaming centres fully certified by 2015/16 and maintain that standard.

This metric is related to the following material issues:

Responsible gambling, player experience, stakeholder engagement

Benchmarks and Data Reliability

How we measure and benchmark

RG Check certification for each BCLC casino and community gaming centre is determined by the Responsible Gambling Council (RGC), following an audit-type review based on standards and criteria reflecting international best practices. RGC's RG Certification is valid for three years.

BCLC is among three other gaming organizations nation-wide that use the RG Check certification program.

Data Reliability

RG Check certification, and re-certification, is independently conducted and involves a documentation review, site visit, interviews with staff and patrons, and a final evaluation by the RG Check independent assessment panel.

New Service Provider Employees Who Passed Appropriate Response Training (ART)

New Service Provider Employees Who Passed Appropriate Response Training (ART)



Source: BCLC internal reporting

BCLC requires all gambling facility employees who have the potential to interact directly with visitors to successfully complete Appropriate Response Training (ART).

ART is a BCLC educational program that prepares service providers' employees to assist players who may be experiencing problems with their gambling. ART is mandatory for all front-line workers, management and security personnel, and refresher training is required throughout their employment. This performance measure includes Level 1 (online) and Level 2 (in-person) ART training.

This year, a total of 3,035 service provider employees registered for ART (Level 1 and 2 combined). Of this total, 2,998 passed, resulting in a 99 per cent overall achievement rate. This means that 1 per cent of service provider employees are either in process or have not yet attempted the required ART training. BCLC identifies non-compliant service provider employees and notifies site administration where training is required. We continue to work with our service providers to increase ART compliance pass rates through course completion reminders and continual communication.

More on this measure

This measure tracks progress towards our SR strategy of supporting our service providers in developing and maintaining effective responsible gambling practices.

This metric is related to the following material issues:

Responsible gambling, player experience, stakeholder engagement

Benchmarks and Data Reliability

How we measure and benchmark

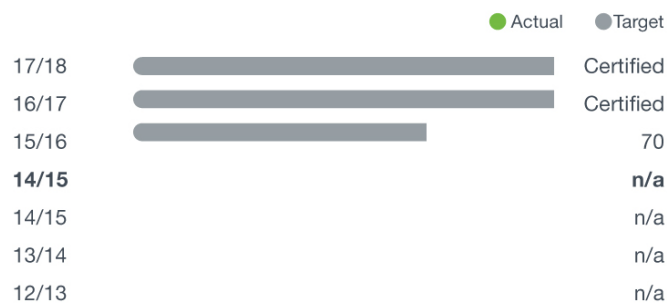
The pass rate for Appropriate Response Training (ART) is measured by combining pass rates for Level 1 and Level 2 ART courses. To pass Level 1, the participant must complete a multiple choice exam following their online training session, and achieve a minimum score of 70 per cent. To pass Level 2, the participant must complete a multiple choice exam following their in-person training session, and achieve a minimum score of 70 per cent.

Data Reliability

The online course tool for ART exams has an embedded and automatic grading system that provides the SR team with reports to monitor pass/fail compliance rates.

PlayNow.com Certified by RG Check

PlayNow.com Certified by RG Check (%)



Source: RG Check certification, and re-certification, is independently conducted by the Responsible Gambling Council.

The Responsible Gambling Council (RGC) has developed a set of seven standards for internet gambling sites. Designed to be the gold standard for responsible gambling (RG) programs, they are the most comprehensive set of standards available for RG programs for internet gaming sites. The standards, along with 51 criteria, define the safety measures and expected RG elements of an internet gambling site's RG program. Designed to provide objective and independent benchmarks for the content, quality, and breadth of RG programs delivered by internet gaming sites, the standards form the basis of the Responsible Gambling Council's accreditation program, RG Check, which assesses a site's responsible gambling policies and practices. BCLC is striving for PlayNow.com to be certified by RG Check in 2015/16. A minimum score of 70 is required to achieve certification.

More on this measure

This measure tracks progress towards our SR principle of keeping responsible gambling at the heart of our business. RG Check offers PlayNow.com the opportunity to qualify for an independent endorsement of the sites responsible gambling features. Through the certification process, RGC evaluates seven areas, including: corporate policies, employee training, self-ban, assisting players, informed decision making, advertising and promotions, and game and site features. A score of 70 is required for a site to achieve accreditation, which is then valid for three years. PlayNow.com is striving to be the first site accredited through RG Check Internet and has set targets to continuously improve in future years.

This metric is related to the following material issues:
Responsible gambling, player experience, stakeholder engagement

Benchmarks and Data Reliability

How we measure and benchmark

RG Check certification for PlayNow.com is determined by the Responsible Gambling Council (RGC), following an audit-type review based on standards and criteria reflecting international best practices. RGC's RG Certification is valid for three years.

PlayNow.com is striving to be the first online site in the world to earn RG Check accreditation.

Data Reliability

RG Check certification, and re-certification, is independently conducted and involves a documentation review, site visit, interviews with staff and patrons, and a final evaluation by the RG Check independent assessment panel.

BCLC's Privacy Practices for PlayNow.com Registrants are TRUSTe Compliant

The TRUSTe Privacy Seal Program helps consumers identify responsible privacy practices. TRUSTe is a leading global data privacy management company that provides certification for companies who collect

customer data. This certification of PlayNow.com is an important way we assure our players that BCLC is protecting their information.

BCLC has sought certification with TRUSTe for PlayNow.com and the Mobile website for PlayNow.com for the current fiscal year. TRUSTe has acknowledged receipt of BCLC's certification submission.

Source: External independent organization (TRUSTe is a third-party global data privacy management company.)

More on this measure

This measure tracks progress towards our SR strategy of protecting the privacy of player information. We strive to implement best privacy practices for registrants on PlayNow.com. Our goal is to maintain compliance with a third-party certification program.

This metric is related to the following material issues:
Player experience, player privacy, ethical conduct

Benchmarks and Data Reliability

How we measure and benchmark

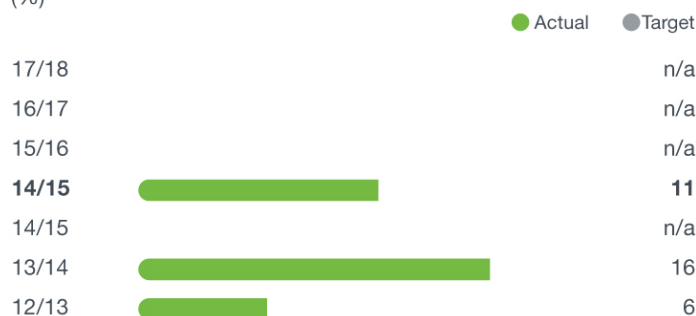
BCLC has received TRUSTe's Privacy Seal signifying that our privacy practices have been reviewed for compliance with the TRUSTe program. TRUSTe has re-certified that PlayNow.com's privacy practices align with its regulatory requirements.

Data Reliability

TRUSTe is a third-party global data privacy management company.

Substantiated PlayNow.com Player Complaints

Substantiated PlayNow.com
Player Complaints
(%)



Source: Player complaints are tracked on internal BCLC software that reports on total complaints. All Substantiated PlayNow.com Player Complaints are calculated internally by our eGaming Investigations team from the combined data.

Substantiated PlayNow.com Player Complaints measures the percent of total PlayNow.com player claims that, upon investigation, are verified as legitimate. Unsubstantiated claims, by contrast, are allegations that have not been established as truthful or valid.

In 2014/15, of the 291 player complaints received by BCLC's Investigators, 33 (11 per cent) were substantiated as relating to game, transaction or prize disputes. This was a decrease of 48 total substantiated complaints over the previous year. The substantiated complaints are attributed to mainly technical issues experienced by the implementation of additional slot games to PlayNow.com, from both a variety of new and existing vendors. This is not uncommon when new games are integrated. No one outstanding incident was responsible for the bulk of the complaints in 2014/15.

More on this measure

This measure tracks progress towards our SR strategy of understanding and improving the player experience, as well as offering games and conducting business in a way that is fair, honest, and trustworthy. We aim to keep the number of substantiated PlayNow.com player complaints low by continuing to thoroughly test all games on the site prior to launch, using preventative measures to ensure the site is working at an acceptable capacity, and continuing to comply with our Regulatory Technical Standards. We keep the content and information provided on our site current, making sure that it is clear and easy for players to understand how games work.

This metric is related to the following material issues:

Player experience, ethical conduct, transparency, technology and innovation

Benchmarks and Data Reliability

How we measure and benchmark

PlayNow.com player complaints are most often received through our Customer Support Centre, and then verified by BCLC's eGaming Investigations department or Technical Support Department.

Substantiated PlayNow.com Player Complaints are internally benchmarked on a time series basis. We do not externally benchmark, as other gambling jurisdictions and do not publish comparable information.

Data Reliability

Player complaints are tracked on internal BCLC software that reports on total complaints. All Substantiated PlayNow.com Player Complaints are calculated internally by our eGaming Investigations team from the combined data.

Pass Rate in Lottery Retail Mystery Shop Program

Pass Rate in Lottery Retail
Mystery Shop Program
(%)



Source: BCLC internal reporting

Pass Rate in the Lottery Retail Mystery Shop Program measures the percent of BCLC's lottery retailers who achieved a passing score in the Mystery Shop program.

In 2014/15, we measured a 53 per cent pass rate in the lottery retail Mystery Shop program. A change in the methodology of the mystery shop is likely the reason for the lower pass rate in 2014/15. In previous years if a retailer failed to ask the player to sign their ticket it didn't result in a failure but instead a reminder of the process. The results in the most recent shops are a direct result of the retailers failing this requirement. Moving forward we will be reviewing the signature requirement as this is a player self-help tool to ensure they are protecting themselves. We will also look to modify the mystery shop program to focus on 19+ and other integrity related issues that truly hold our retailers accountable.

More on this measure

This measure tracks progress towards our SR strategy of understanding and improving the player experience, as well as offering games and conducting business in a way that is fair, honest and trustworthy.

Mystery shops determine whether lottery retailers are complying with policies and procedures that include: returning tickets and providing validation slips; checking to see if the digital displays are clearly visible; checking to see that lottery tickets remain visible to the player throughout the validation procedure; that they are paying out correct prize amounts and following appropriate processes. Any infraction of the Lottery Retailer Agreement by a lottery retailer is investigated by BCLC. Lottery investigators and sales staff are heavily involved in providing positive feedback to retailers, contributing to our high pass rates. In addition, information is provided to retailers during site visits by territory managers as well as through our retailer e-bulletins.

This metric is related to the following material issues:
Responsible gambling, stakeholder engagement

Benchmarks and Data Reliability

How we measure and benchmark

BCLC Mystery Shops are conducted by an independent contractor who measures retailer success by assessing eight separate standard areas of compliance. The results are forwarded to BCLC for scoring accordingly (e.g. pass, fail, not shopped, etc.) The results of successful Mystery Shops are shared with the successful retailers, with a positive concluding letter noting the event. If required, appropriate action or discipline is taken for unsuccessful Mystery Shops.

Retailer performance in the BCLC Mystery Shop program will be internally benchmarked on a regional basis once sufficient historical data is collected.

Data Reliability

After the Mystery Shop has been conducted, the results are captured in a report and shared with BCLC Lottery Investigations through BCLC's reporting software. Any failed Mystery Shops information is then analyzed internally and the overall results are reported to the required stakeholders, which include GPEB and BCLC Lottery Sales.

Player Awareness of Responsible Gambling Activities

Player Awareness of Responsible Gambling Activities (%)



Source: Continuous online survey independently conducted by a third-party

Player Awareness of Responsible Gambling Activities gauges our effectiveness at reaching players with our initiatives and messages so that players can make informed gambling choices. These messages are: a voluntary self-exclusion program which offers players the option to exclude themselves for a set period of time from entering any BC gambling venue that has slot machines or bingo, or accessing BCLC's internet gambling site; GameSense, a program that educates and reminds people about responsible gambling; the toll-free Problem Gambling Help Line; GameSense Information Centres in BC Casinos and Chances/community gaming centres; and the ability to personally set your weekly wallet load limit for members of PlayNow.com.

In 2014/15, player awareness of responsible gambling activities exceeded our target. More players being aware of BCLC's responsible gambling activities such as our GameSense program may have contributed to higher than targeted results. Our goal is to enhance our responsible gambling programs and delivery in the coming years so that we continue to generate net income for the Province in a socially-responsible way.

- We continue to expand and provide responsible gambling information and offer resources to help problem gamblers;
- We will offer time and money budgeting tools for facility players, and additional responsible gambling tools for PlayNow.com;
- Together with the Gaming Policy and Enforcement Branch and B.C. communities, we will continue hosting Responsible Gambling Awareness Weeks to raise awareness and connect people to resources and services;
- BCLC and the Government of British Columbia have dedicated \$2 million over five years to the independent Centre for Gambling Research at the University of British Columbia, which will help inform the Province's responsible and problem gambling programs;
- We are working to address the recommendation by Government's Internal Audit and Advisory Services Review to develop outcome based performance measures for responsible gambling;
- BCLC continues to research best practices in outcome based responsible gambling measures in advance of wider stakeholder consultation. External researchers have been engaged in an ongoing study to scientifically assess the needs of players. Those findings, expected in Fall 2015, will be used to help guide the selection of outcome measures; and
- A second external research team has been hired in conjunction with the Manitoba Gambling Research Program to assess better ways of communicating with players. This research will also create capabilities within BCLC to measure the effectiveness of new responsible gambling communication strategies. This research is expected to take 14 months.

More on this measure

A key component of BCLC's gambling management is our commitment to strengthening responsible gambling programs and improving their delivery. This measure determines how effective we are at

reaching players with our responsible gambling activities and messages so that players can make informed gambling choices.

This metric is related to the following material issues:
Responsible gambling, player experience, stakeholder engagement

Benchmarks and Data Reliability

How we measure and benchmark

A third-party research professional conducts a continuous tracking study to measure Player Awareness of Responsible Gambling Activities on our behalf. The survey is conducted online among a random sample of B.C. adults aged 19 and older. The sample is representative of the B.C. adult population with respect to gender, age and region. The annual target sample size is 3,000 survey participants. The margin of error is 1.55 at the 95% confidence level (19 times out of 20).

Participants are asked to indicate their awareness of five of BCLC's responsible gambling activities. The result is a net percentage of BCLC players who are aware of at least one of the five initiatives. Over the coming year, we will examine the need to adjust this measure so that we understand how successful we are in creating player awareness for our key responsible gambling activities.

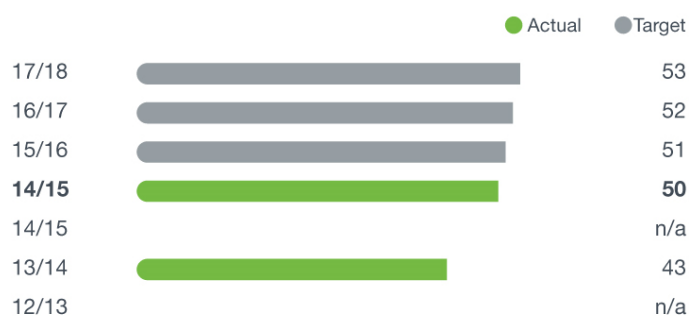
Player Awareness of Responsible Gambling Activities is internally benchmarked on a time series basis. We have not externally benchmarked the measure as we have not identified comparable data published by other gambling jurisdictions.

Data Reliability

The survey to measure Player Awareness of Responsible Gambling Activities is independently conducted by a third-party research firm. The survey uses market research industry standard techniques to randomize the sample, while retaining a gender, age and regional balance that is consistent with B.C. population figures available from Statistics Canada's Census.

Player Awareness of VSE Program

Player Awareness of VSE Program (%)



Source: Continuous online survey independently conducted by a third-party

BCLC operates a voluntary self-exclusion (VSE) program that allows players to voluntarily exclude themselves from all gaming facilities with slot machines, commercial bingo halls or from accessing PlayNow.com for a period of time. This metric measures the percentage of players in the past year who are aware of the VSE program.

More on this measure

This is the first year that BCLC has included player awareness of the VSE program as a SR performance measure, however we have set targets based on previous performance.

This measure tracks progress towards our SR strategy of providing players with tools to support informed gambling choices and responsible play behaviours. Although BCLC focuses more efforts towards responsible gambling, we have identified problem gambling as a material issue. The VSE program is an initiative related to problem gambling that is managed by BCLC. This measure determines how effective we are at reaching players with information about the VSE program.

This metric is related to the following material issues:

Responsible gambling, problem gambling, player experience, ethical conduct, stakeholder engagement

Benchmarks and Data Reliability

How we measure and benchmark

A third-party research professional conducts a continuous tracking study to measure Player Awareness of BCLC's VSE program on our behalf. The survey is conducted online among a random sample of B.C. adults aged 19 and older. The sample is representative of the B.C. adult population with respect to gender, age and region. The annual target sample size is 3,000 survey participants.

Player Awareness of the VSE Program is internally benchmarked on a time series basis. We have not externally benchmarked the measure as we have not identified comparable data published by other gambling jurisdictions.

Data Reliability

The survey to measure Player Awareness of Responsible Gambling Activities (of which the VSE Program is one of the activities) is independently conducted by a third-party research firm. The survey uses market research industry standard techniques to randomize the sample, while retaining a gender, age and regional balance that is consistent with B.C. population figures available from Statistics Canada's Census.

World Lottery Associations Certification Level Achieved

We assess our responsible gambling programming through participation in the World Lottery Association (WLA) responsible gambling framework to determine how BCLC compares to world class standards.

We first attained Level 4 certification in 2010, demonstrating that our responsible gambling programs are well established and are among the best in the world. Certification is valid for three years and in 2013 BCLC achieved re-certification, demonstrating our commitment to continuous improvement. Ongoing efforts to reach new levels of improvement are required in order to re-certify, and BCLC's three-year target is to maintain WLA Level 4 certification.

Source: Independent third-party assessment

More on this measure

This measure tracks progress towards our SR strategy of maintaining a world-class responsible gambling program. BCLC has been recognized by the World Lottery Association (WLA) for adopting and putting into action international responsible gambling principles aimed at protecting players in B.C. The seven principles address areas of player protection, collaboration with other stakeholders, research, promotion, informed player choice, monitoring and reporting. BCLC has set as a goal of maintaining Level 4 certification, the highest level in the WLA responsible gambling framework.

This metric is related to the following material issues:

Responsible gambling, stakeholder engagement

Benchmarks and Data Reliability

How we measure and benchmark

World Lottery Association (WLA) Certification is achieved following a successful third-party review of BCLC's responsible gambling policies, programs and practices by WLA. To re-certify at Level 4, BCLC must demonstrate continual improvement. Certification is valid for three years, after which BCLC must apply for re-certification to maintain level 4 status.

BCLC is among 39 other gaming organizations world-wide that have achieved Level 4 WLA certification.

Data Reliability

WLA certification, and re-certification, is independently conducted and involves a documentation review, interviews with staff, an independent audit of evidence and recommendation by an independent assessment panel.

People

BCLC employees are a valuable resource, representing the voice of the player and the views of the public. Embracing change and innovation. Caring for communities and charities. Keeping one eye on seamless entertainment experiences and the other on bottom line growth for B.C. Across departments, around the table, our people share skills to achieve correlating goals, so it's vital that our workplace be as inspirational as our workforce.

From world-leading responsible gambling, breakthrough distribution and creative campaigns, our employees are the minds behind BCLC innovation. GameSense was spearheaded by our Social Responsibility team and has since become globally-acclaimed. Lotto Express was conceived by staff and is now an everyday convenience. Recently one of our Chances technicians thought up Bingo Bucks for food bank donations. All just a sampling of ideas that spring to our minds.

Below are some highlights of our achievements from 2014/15.

Giving our all

We unite with communities and charities, contributing individual and collective efforts for food banks, blood banks, non-profits and many others. Below are some highlights from the past year:

14th Annual B.C. Gaming Facilities Charity Golf Tournament: \$57,310 was raised last August for the Children's Wish Foundation and a grand total of \$385,000 has been raised since 2001.

United Way: BCLC has supported the United Way for over 20 years and in fiscal 2014/15, our Kamloops and Vancouver employees contributed over \$40,000.

Summits of Hope: last fall, BCLC employees banded together to help Melissa Janke, Brand Manager Instant Games, reach a \$5,000 fundraising goal prior to her summit of Mount Kilimanjaro in support of B.C. Children's Hospital Foundation.

Ice Bucket Challenge: inspired by the social media wave, BCLC employees and executives took the plunge to raise awareness and funds for ALS.

Bingo Bucks: in August, Clayton Crook, Senior Technician at Chances Cowichan, created a unique campaign where customers donating food bank items received \$1 towards play.

Awarding Excellence

Last summer, GameSense Excellence Awards were introduced to recognize BCLC service providers who exemplify inspirational integrity in keeping gambling fun and ensuring safe, enjoyable entertainment experiences. Casino and gaming facility staff nominate colleagues who raise the bar in assisting and educating players, and prioritizing responsible gambling programs and GameSense resources in everyday operations.

Time Auction

At BCLC we want to celebrate and encourage volunteerism, which is why we support employees who give back to their communities. This year BCLC partnered with Time Auction to recognize and reward our employees' efforts. Time Auction is a new way to reward volunteers with experiences that money can't buy. Employees who volunteered in the past year had the opportunity to bid on auctions – like the chance to cook a meal with Chef MAC at Tableau Bar Bistro, or grab lunch with the Mayor of Kamloops, or even get a golf lesson from our very own Jim Lightbody. Our employees do great work in their communities, and Time Auction was a fun way to recognize how they play it right.

Fun Fact

For nine consecutive years, BCLC has ranked as a top employer in British Columbia.

Employee Engagement

Employee Engagement
(%)



Source: Annual anonymous online survey of BCLC employees conducted by an independent third-party professional.

Employee Engagement is defined as the intellectual and emotional commitment employees have in an organization. This performance metric measures the percentage of BCLC employees that are engaged with their work.

In 2014/15, BCLC's employee engagement level was very high, but below target. Cost management activities, including organizational restructuring, and uncertainty due to Government's Internal Audit and Advisory Services Review, may have contributed to lower results. Our goal is to increase our employee engagement level in coming years by listening to feedback from annual surveys and acting upon results to help attract and retain the right talent.

More on this measure

Employee Engagement reflects the effort and dedication employees exert to contribute to the organization's success. An inspired and engaged workforce will help drive the success of BCLC's business to deliver the great entertainment experiences our players expect.

This metric is related to the following material issues:

Employee attraction, retention and engagement, stakeholder engagement, employee training, managerial competence

Benchmarks and Data Reliability

How we measure and benchmark

Employee Engagement is measured by an annual anonymous online survey amongst BCLC' employees, conducted by a third-party research professional on our behalf. The survey asks employees to rank on a six-point scale their agreement with a broad range of statements that span aspects of the workplace such as work conditions, career and development opportunities, and BCLC's goals and programs.

The overall engagement score is an aggregate of the proportion of employees that have agreed with the statements in the top two points of the scale. Employee Engagement is internally benchmarked on a time series basis. We have not externally benchmarked the measure due to the BCLC specific nature of the survey questions.

Data Reliability

The survey to measure Employee Engagement is independently conducted by a third-party research firm, using market research industry standard techniques. The margin of error is +/- 1.72 at the 95% confidence level (19 times out of 20).

Employee Turnover Rate

Employee Turnover Rate
(%)



Source: BCLC internal sources. Data is measured on a monthly basis with the year-end calculated by averaging monthly rates.

Employee Turnover Rate measures our competitiveness in the labour market as well as the effectiveness of our training, development and retention programs. In 2014/15 we did not meet our target. Cost management activities, including organizational restructuring, and uncertainty due to Government's Internal Audit and Advisory Services Review, may have contributed to these results. Our goal is to lower employee turnover rates in upcoming years by providing effective human resources programs that help attract and retain the right talent, skills and abilities to meet business needs.

More on this measure

Employee Turnover Rate helps determine our success in attracting and retaining a workforce that drives the continuous transformation of our business in an ever-changing marketplace.

This metric is related to the following material issues:

Employee attraction, retention and engagement, stakeholder engagement, employee training, managerial competence

Benchmarks and Data Reliability

How we measure and benchmark

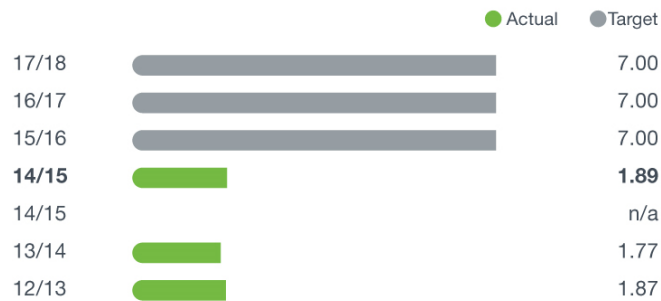
Employee Turnover Rate is internally benchmarked on a time series basis. We do not externally benchmark, as other gambling jurisdictions and B.C. Crown corporations do not publish equivalent figures.

Data Reliability

Employee Turnover Rate is internally calculated by our Human Resources team. It is measured on a monthly basis with the year-end calculated by averaging monthly rates.

Absenteeism Rate

Absenteeism Rate
(%)



Source: Internal BCLC tracking

Absenteeism Rate measures the number of work days missed due to illness as related to BCLC's total full time equivalency. BCLC's current absenteeism is self-recorded, and while it is not high, we do need to ensure that self-entry is monitored. It is estimated that just under half of the organization tracks absenteeism. As we implement new HR tools we will be holding some training and education around the need to accurately record sick time so we anticipate our average number of sick days to increase over the next few years. By looking at absence patterns and identifying their root causes, BCLC can put in place programs to reduce absenteeism.

More on this measure

An increase in absenteeism can be considered a leading indicator of future employee turnover. Absenteeism has also been correlated with engagement suggesting that a higher level of absenteeism indicates a workforce with a low level of engagement. An engaged employee is less likely to be habitually absent.

This metric is related to the following material issues:

Employee attraction, retention and engagement, stakeholder engagement, employee training, managerial competence

Benchmarks and Data Reliability

How we measure and benchmark

Absenteeism Rate is internally benchmarked on a time series basis. We do not externally benchmark, as other gambling jurisdictions and B.C. Crown corporations do not publish equivalent figures.

Data Reliability

Absenteeism Rate is internally calculated by our Human Resources team. It is measured on a monthly basis with the year-end calculated by averaging monthly rates.

Employees Who Understand What CSR Means to BCLC

Employees Who Understand What CSR Means to BCLC

(%)



Source: Ipsos North America

One of the questions in BCLC's employee engagement survey assesses agreement with the statement "I understand what Corporate Social Responsibility means to BCLC."

Employees have consistently responded positively to this question in the engagement survey. Once again, 91% of respondents indicated that they understand what social responsibility means to BCLC indicating that our SR efforts are resonating with staff. In 2014/15, we developed a new SR Charter with the aim of better defining what social responsibility means at BCLC. The launch of the new Charter was announced at this year's employee sessions, where staff were encouraged to read the new document and consider how SR is part of their role.

More on this measure

This measure tracks progress towards our SR strategy of creating a workplace that understands, supports and is engaged in SR.

This metric is related to the following material issues:

Employee attraction, retention and engagement, responsible gambling, ethical conduct

Benchmarks and Data Reliability

How we measure and benchmark

Employees Who Understand What Social Responsibility Means to BCLC is measured by an annual anonymous online survey amongst BCLC' employees, conducted by a third-party research professional on our behalf.

The survey asks employees to rank on a five-point scale their agreement with the statement "I understand what Corporate Social Responsibility means to BCLC." Employee responses in the top two box scores are then aggregated and expressed as a percentage to get the aggregate agreement.

Employees Who Understand What Social Responsibility Means to BCLC is internally benchmarked on a time series basis. We have not externally benchmarked the measure due to the BCLC specific nature of the survey questions.

Data Reliability

The survey to measure Employees Who Understand What Social Responsibility Means to BCLC is independently conducted by a third-party research firm, using market research industry standard techniques.

Employees Who Agree BCLC is a Good Corporate Citizen

Employees Who Agree BCLC
is a Good Corporate Citizen

(%)



Source: Ipsos North America

One of the questions in BCLC's employee engagement survey assesses the level to which staff agrees with the statement "BCLC is a good corporate citizen." In 2014/15 a majority of employees (87%) agreed that BCLC is a Good Corporate Citizen. This number dipped slightly from the previous year and from our target. This year we have launched several initiatives that may help to strengthen this number next year. First, we developed a new SR Charter with the aim of better defining what SR initiatives are critical to BCLC. We also launched the Play it Forward campaign which will allow staff who volunteer time with a registered charity or non-profit receive an hourly wage for doing so, up to 7.5 hours. And finally BCLC is celebrating its 30th anniversary with stories and videos of how the organization gives back to British Columbia. The culmination of these efforts should have a positive impact on this metric.

More on this measure

This measure tracks progress towards our SR strategy of creating a workplace where employees understands, support and are engaged in SR.

This metric is related to the following material issues:

Employee attraction, retention and engagement, stakeholder engagement, responsible gambling, ethical conduct

Benchmarks and Data Reliability

How we measure and benchmark

Employees Who Agree That BCLC is a Good Corporate Citizen is measured by an annual anonymous online survey among BCLC' employees, conducted by a third-party research professional on our behalf.

The survey asks employees to rank on a five-point scale their agreement with the statement "BCLC is a Good Corporate Citizen." Employee responses in the top two box scores are then aggregated and expressed as a percentage to get the aggregate agreement.

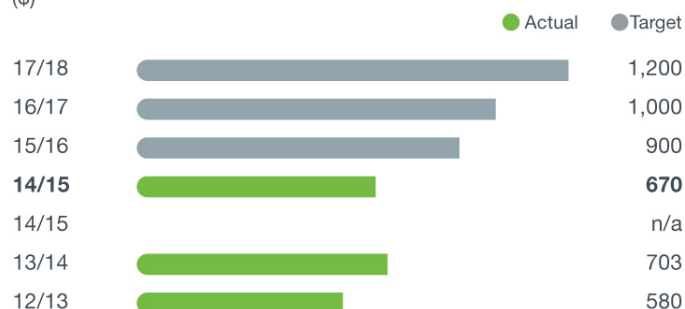
Employees Who Agree That BCLC is a Good Corporate Citizen is internally benchmarked on a time series basis. We have not externally benchmarked the measure due to the BCLC specific nature of the survey questions.

Data Reliability

The survey to measure Employees Who Agree That BCLC is a Good Corporate Citizen is independently conducted by a third-party research firm, using market research industry standard techniques.

Average Spend on Training Per Year Per Employee

Average Spend on Training
Per Year Per Employee
(\$)



Source: BCLC internal reporting

Average Spend on Training per Employee measures the total amount that BCLC employees have self-recorded as spending on training or development, divided by the total number of BCLC employees. For Fiscal 14/15, BCLC employees recorded an average spend of \$672 on training and development. Our target for training and development is for employees to spend \$1,200 annually on training and development. This target is supported through continuous promotion and education about the importance of career goals, development plans and competency assessments.

More on this measure

This measure tracks progress towards our SR strategy of creating a workplace culture that supports professional development. It uses best practice standards for highly effective learning organizations as measured by the American Society for Training and Development. The money spent includes projects and stretch assignments, mentoring, coaching and professional networking, reading and self-help as well as education, courses and conferences. BCLC makes this investment so that our employees are keeping their skills current with what our business requires. It is also one of the ways we seek to retain employees, who are key to transforming BCLC's business.

This metric is related to the following material issues:

Employee attraction, retention and engagement, stakeholder engagement, employee training, managerial competence

Benchmarks and Data Reliability

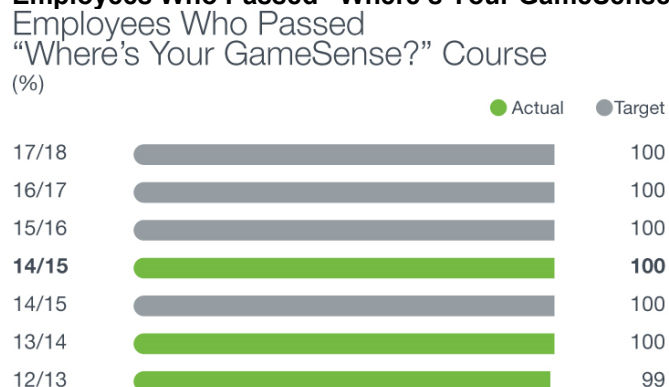
How we measure and benchmark

Average Spend on Training per Employee measures the total amount BCLC employees have expensed for self-training or development activities, divided by the total number of BCLC employees. This is a new measure for BCLC and we will attempt to benchmark against other gambling jurisdictions and crown corporations in the future.

Data Reliability

This measure relies on employees self-recording their training expenses.

Employees Who Passed “Where’s Your GameSense?” Course



Source: BCLC internal reporting.

Employees Who Passed “Where’s Your GameSense?” Course measures the compliance rate for BCLC’s employee responsible gambling training. Of the 135 new employees hired in 2014/15, all have completed and passed the “Where’s Your Game Sense” course, achieving a 100% compliance rate.

More on this measure

This measure tracks progress towards our SR strategy of creating a workplace that understands, supports and is engaged in SR, as well as integrating SR into governance and management systems. “Where’s Your GameSense” is an online training course that all BCLC employees are required to successfully complete within 30 days of being hired. The course is designed to educate employees about responsible and problem gambling, about our GameSense programming, and about how we support players in making informed decisions about gambling.

This metric is related to the following material issues:
Responsible gambling, employee training, ethical conduct

Benchmarks and Data Reliability

How we measure and benchmark

The pass rate for “Where’s Your GameSense?” is measured by the percentage of BCLC employees who, upon completing the online course and associated multiple choice exam, achieve a minimum score of 70 per cent.

To continue to increase best practices in Canada, which will also benefit BCLC by providing benchmarks with other Canadian jurisdictions, BCLC is working with the Interprovincial Lottery Corporation to develop national responsible gambling training standards.

Data Reliability

The online course tool for “Where’s Your GameSense?” has an embedded and automatic grading system that provides BCLC’s SR team reports to monitor pass/fail compliance rates.

Employees Who Passed “Anti-Money Laundering” Course

Employees Who Passed
“Anti-Money Laundering” Course
(%)



Source: BCLC internal reporting.

Employees Who Passed Anti-Money Laundering Course is a new metric for 2015/16. It measures the compliance rate for BCLC’s Anti-Money Laundering (AML) training. BCLC has identified Money Laundering and Illegal Activities as material issues to our organization and to our stakeholders. This is a new metric for 2015/16. A target pass rate of 90% has been set for this year, followed by 100% in future years.

More on this measure

Security, safety and anti-money laundering (AML) compliance are very important to BCLC. All employees have a role to play in ensuring the integrity of facilities from potential criminal activities like money laundering. This measure tracks progress towards our SR strategy of creating a workplace that understands, supports and is engaged in SR, as well as integrating SR into governance and management systems. BCLC has developed an online training course that all BCLC employees are required to successfully complete within 30 days of being hired and to retake every 2 years. The course provides employees with an understanding of Canada’s AML legislation and the definition of money laundering and terrorist financing. It also explains the role BCLC plays as the designated reporting entity on behalf of all gaming facilities.

This metric is related to the following material issues:

Ethical conduct, transparency, employee training

Benchmarks and Data Reliability

How we measure and benchmark

The pass rate for the Anti Money Laundering is measured by the percentage of BCLC employees who, upon completing the online course and associated multiple choice exam, achieve a minimum score of 70 per cent.

Data Reliability

The online Anti Money Laundering course has an embedded and automatic grading system that provides BCLC’s SR team reports to monitor pass/fail compliance rates.

Public

For 30 years British Columbians have demonstrated their trust in BCLC by continuing to play with us. We don’t take this support for granted, which is why we’re continuously striving to build on our social licence to operate. BCLC is committed to operating with integrity, transparency and in the best interest of British Columbians.

From innovative responsible gambling programs and environmental sustainability, to community outreach and stakeholder engagement, BCLC continues to deliver gambling entertainment in a socially responsible manner. Below are some highlights of our achievements from 2014/15.

Province of B.C. Gaming Grants

Nearly \$140 million in 2014/15 BCLC net income was distributed by the Province of B.C. to over 5,000 charities and community organizations. Here are a few of the causes that benefitted:

- The Alouette River Management Society received \$50,000 for educational and environmental initiatives such as habitat restoration, salmon surveys, shore clean up and invasive plant removal.
- Coquitlam Search and Rescue, which logged 112 volunteer days last year, acquired \$150,000 towards replacing a 20-year vehicle with a new mobile command centre.
- The emergency shelter at Tillicum Lelum Aboriginal Friendship Centre, Nanaimo's only safe house for youth, was awarded \$70,000 to increase the number of beds and support services.
- Glenwood Elementary students received partial funding to equip the school playground with a 14-foot tall climbing structure that provides safe play for 40 students at a time.
- Prince George Recycling and Environment Action Planning Society obtained \$26,000 for school and community programs promoting organic gardening, composting and landfill reduction.
- Five Kelowna groups shared \$215,000: Living Positive Resource Centre; Central Okanagan Hospice Association; Knights of Columbus; Rotary Club of Kelowna Capri; and Lifestyle Equity Society for adaptive disabled recreation.

Canada Winter Games

BCLC proudly sponsored Festival Main Stage celebrations at the 2015 Canada Winter Games in Prince George, the largest sports and cultural event ever held in this northern B.C. city. As Presenting Sponsor, BCLC hosted music and live entertainment for about 8,000 athletes, coaches and volunteers every night over two weeks. The city's Treasure Cove Casino & Hotel acted as Official Community Partner of the Games.

Healthy contributions

In conjunction with Responsible Gambling Awareness Weeks, BCLC provides funding to participating community non-profits working to enhance health and wellness, support special or at-risk groups and provide outreach. These annual sponsorships are separate from gaming grants allotted by the Province's Gaming Policy and Enforcement Branch. This is one more way BCLC contributes to public good and complements responsible gambling by promoting healthy, thriving communities.

Fun Fact

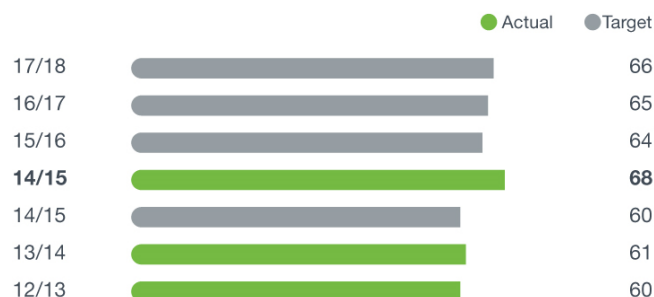
In addition to cafeteria composting and electronic equipment recycling, BCLC reports the amount of paper produced each year, and pays fees to Multi-Material B.C., which fund recycling programs across B.C.

Fun Fact

BCLC partnered with the RCMP to increase player and public safety at our venues, and is currently co-creating custom anti-money laundering software with a leading business intelligence company.

Public Recognition of Positive Contribution

Public Recognition of Positive Contribution (%)



Source: Continuous online survey independently conducted by a third-party with a random sample of B.C. adults aged 19 and up.

Public Recognition of Positive Contributions helps us gauge success in building public understanding and recognition of the positive contributions we make to the Province of B.C.

In 2014/15, we exceeded our target, yet opportunities exist to further strengthen recognition. Efforts such as the 30th anniversary “Play it Forward” campaign should help inform the public about how BCLC contributes to BC’s future. In the coming years, we will continue to communicate BCLC’s positive contributions to economic growth and communities across B.C., so that our business is better understood and welcomed by British Columbians.

More on this measure

Public opinion has a significant influence on BCLC’s social license to operate. As we continue to transform our business to achieve our vision that gambling is a widely embraced form of entertainment, it is important the public understands our business and the benefits it brings to British Columbians. This year we have transitioned to two new measures to gauge public perceptions: public recognition of positive contributions and public perception of BCLC’s transparency.

This metric is related to the following material issues:

Community socio-economic benefits, player experience, responsible gambling, anti-money laundering and illegal activities, stakeholder engagement, broadening gambling participation, ethical conduct, transparency

Benchmarks and Data Reliability

How we measure and benchmark

Continuous online survey independently conducted by a third-party with a random sample of B.C. adults aged 19 and up. The survey uses industry-standard techniques to randomize the sample, while retaining a gender, age and regional balance consistent with B.C. population as per Statistics Canada’s Census. The margin of error is 1.55 at the 95% confidence level (19 times out of 20).

Data Reliability

Public Recognition of Positive Contributions is internally benchmarked on a time series basis.

Public Perception of BCLC’s Transparency

Public Perception of BCLC's Transparency (%)



Source: Continuous online survey independently conducted by a third-party with a random sample of B.C. adults aged 19 and up.

Public Perception of BCLC's Transparency measures our success in being open with the public so that our business and its benefits are understood and recognized by British Columbians.

In 2014/15, we exceeded our target and while this is positive, opportunities exist to strengthen our reputation. Our goal is to enhance public perceptions of BCLC's delivery of gambling entertainment with integrity and transparency. We plan to be open about our business plans and the impact of those plans, so that BCLC is better understood and welcomed by British Columbians.

More on this measure

Public opinion has a significant influence on BCLC's social license to operate. As we continue to transform our business to achieve our vision that gambling is a widely embraced form of entertainment, it is important the public understands our business and the benefits it brings to British Columbians. This year we have transitioned to two new measures to gauge public perceptions: public recognition of positive contributions and public perception of BCLC's transparency.

This metric is related to the following material issues:

Transparency, responsible gambling, anti-money laundering and illegal activities, stakeholder engagement, broadening gambling participation, ethical conduct

Benchmarks and Data Reliability

How we measure and benchmark

Continuous online survey independently conducted by a third-party with a random sample of B.C. adults aged 19 and up. The survey uses industry-standard techniques to randomize the sample, while retaining a gender, age and regional balance consistent with B.C. population as per Statistics Canada's Census. The margin of error is 1.55 at the 95% confidence level (19 times out of 20).

Data Reliability

Public Perception of BCLC's Transparency is internally benchmarked on a time series basis.

Level of Greenhouse Gas (GHG) Emissions (CO₂e)

Level of Greenhouse Gas (GHG) Emissions (CO₂e metric tonnes)



Source: BCLC internal reporting

BCLC's reportable Greenhouse Gas Emissions (GHG) include emissions from our buildings, fleet vehicles and certain office paper supplies. BCLC uses calculations provided by the Province to convert and report our greenhouse gas (GHG) emissions in a standard format. This calculation is completed and reported in metric tonnes of carbon dioxide emissions (CO₂e) by calendar year. Since 2010, BCLC has been required to meet the requirements for carbon neutrality set out in the Greenhouse Gas Reductions Target Act and pursue actions to minimize GHG emissions to meet the prescribed goal of a 33 per cent reduction in reportable emissions by 2020, from a 2007 baseline.

In 2014, BCLC's reportable GHG emissions decreased by 59 tonnes over last year and were well below the target. This four per cent decrease is primarily due to two factors. First, the B.C. Climate Action Secretariat reduced the GHG conversion factor for electricity that all public sector organizations use in their emissions calculations. Second, we dramatically reduced our fleet size in Q4 2014 from 94 vehicles to eight. Although we are currently on track to meet our target of reducing emissions by 33 per cent by 2020, future reductions are likely to become more challenging and costly. The most appropriate approach for reducing emissions from our Kamloops office is being assessed.

More on this measure

We view sustainability as a key component of our SR efforts and we advocate environmentally sustainable behaviours in our organization's culture as an integral component of business modernization. This measure gauges our success in reducing the level of reportable greenhouse gas (GHG) emissions over time.

This metric is related to the following material issues:

Transparency, GHG emissions, environmental impact

Benchmarks and Data Reliability

How we measure and benchmark

BCLC uses standard calculations provided by the Province to calculate and report greenhouse gas (GHG) emissions in a standard format, as required by the Province. It is used by the Province to ensure BCLC is meeting the provincial reduction requirements and for benchmarking against other Crown agencies.

BCLC obtains the required data from our suppliers of electricity, natural gas, fleet vehicle fuel and paper, and from internal procurement reporting. GHG emissions are internally benchmarked on a time series basis. Our Carbon Neutral Action Report and those of other B.C. Crown corporations are published by the Ministry of Environment annually at the end of June.

Data Reliability

Data for electricity and natural gas consumption is verifiable from billable consumption figures supplied by the respective utilities companies. We calculate electricity usage for our offsite data facility from meter readings.

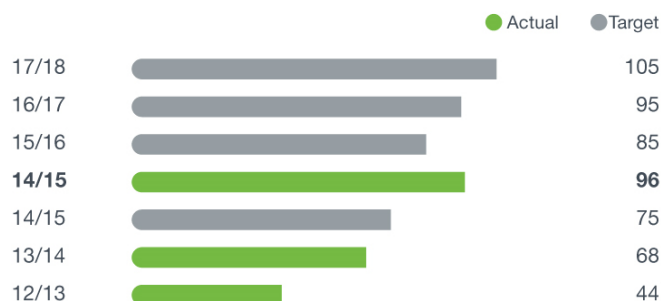
Fleet vehicle fuel consumption is verified from fuel consumption reporting from our fleet vehicle management company.

Paper consumption for all types of reportable paper is measured internally each month.

Stakeholder Engagement Sessions Held

Stakeholder Engagement Sessions Held

(%)



Source: BCLC internal reporting

Number of Stakeholder Engagement Sessions measures how we actively engage with those who have an effect on, or are impacted by our business. This includes sessions held with local governments, chambers of commerce, boards of trade, business and industry associations, the public health sector, and community service groups.

BCLC is consistently increasing the number of sessions held with stakeholders. In 2014/15, we continued with this trend and participated in a total of 96 engagement sessions. Major events included the 2015 New Horizons in Responsible Gambling Conference and Responsible Gambling Awareness Weeks (RGAWs). In 2015, RGAWs featured daily activities in five communities - Richmond, Kamloops, Vernon, Victoria and Langley - demonstrating how BCLC is Playing it Right and keeping it fun by raising awareness about smart choices and problem gambling resources. We will continue to expand our stakeholder engagement program on key topics of mutual interest and we will implement our corporate reputation strategy.

More on this measure

This measure tracks progress towards our SR strategy of engaging key stakeholders in an informative dialogue. Listening to and responding to our stakeholders helps build understanding and support for BCLC's purpose and business.

This metric is related to the following material issues:

Transparency, community socio-economic benefits, stakeholder engagement, broadening gambling participation

Benchmarks and Data Reliability

How we measure and benchmark

Stakeholder engagement sessions are planned by our Public Affairs team both proactively and in response to queries from stakeholders. The sessions are tracked internally.

BCLC does not externally benchmark, as other gambling jurisdictions and B.C. Crown corporations do not publish equivalent figures.

Data Reliability

Our Public Affairs team tracks sessions held throughout the year and checks and reports on the data internally.

Waste Diverted from Landfill Vancouver Office

Waste Diverted from Landfill Vancouver Office

(%)



Source: External supplier reporting and BCLC internal reporting

We measure the percentage of waste our two offices divert from the landfill, including compost, paper and cardboard recycling, and mixed container recycling. To align with Government's reporting cycle, our data for this metric covers the calendar year.

In 2014, we achieved a 93 per cent diversion rate at the Vancouver office. Our high diversion rate is attributed to good source separation of compost and recycling from general waste in the Vancouver office. We continue to seek ways to reduce and divert waste from the Vancouver office location. The diversion rate for 2014 was higher than in 2013 and higher than our ambitious target.

More on this measure

This measure tracks progress towards our SR strategy of reducing BCLC's waste sent to a landfill.

This metric is related to the following material issues:
Environmental impacts, office waste

Benchmarks and Data Reliability

How we measure and benchmark

Waste Diverted from Landfill – Vancouver Office is measured by taking the weight of waste streams diverted from landfill (recycled paper, cardboard, recyclable containers, metals, glass, and compost) as a percent of the total weight of all streams in our Vancouver building.

BCLC is currently in the process of determining the appropriate industry benchmarks for waste diversion performance at each office.

Data Reliability

BCLC receives monthly reports from our external waste management contractors, detailing the actual weights of general garbage, recycled paper and cardboard. We also receive estimated weights for our compostable materials and recyclable containers made from plastics, metal or glass.

Waste Diverted from Landfill Kamloops Office

Waste Diverted from Landfill Kamloops Office (%)



Source: External waste audit

We measure the percentage of waste our two offices divert from the landfill, including compost, paper and cardboard recycling, and mixed container recycling. To align with Government's reporting cycle, our data for this metric covers the calendar year.

BCLC commissioned a waste audit in 2014 to estimate the amount of waste diverted from landfill at the Kamloops office. The results of the audit indicate that 38% of office waste was diverted, which is below our target of 50%. The audit revealed that over 62% of the office black bag waste stream was compostable material (e.g. food waste, paper towels, coffee grinds, etc.) Unfortunately no off-site composting options exist presently in Kamloops. BCLC initiated an on-site composting pilot project in 2014, however it is not feasible to expand this project to collect organics from the entire building. As an alternative, BCLC is in discussion with a local waste management specialist to investigate the potential for off-site composting. This solution would significantly reduce the amount of organic waste entering the landfill.

Additionally, we have recently installed centralized waste stations in the Kamloops office to allow for easier sorting of waste and to reduce the amount of garbage bags required. We feel that centralized waste stations, as well as staff education will help us achieve our waste diversion targets in future years.

More on this measure

This measure tracks progress towards our SR strategy of reducing BCLC's waste sent to a landfill.

This metric is related to the following material issues:
Environmental impacts, office waste

Benchmarks and Data Reliability

How we measure and benchmark

Waste Diverted from Landfill – Kamloops Office will be by estimates taken from a waste audit. The process will sample wastes leaving the facility, split the wastes in to categories, weigh the materials and extrapolate to estimate weights for one year. The calculation will be made by taking the weight of waste streams diverted from landfill as a percent of the total weight of all categories.

BCLC is currently in the process of determining the appropriate industry benchmarks for waste diversion performance at each office.

Data Reliability

Our waste contractors in Kamloops do not provide weights for any of the wastes or recycling that leaves our office, so we rely on waste audits – a somewhat less accurate alternative – to internally calculate and report on our diversion rate.

Office Water Use (m3/m2) Vancouver Office

Office Water Use (m³/m²)
Vancouver Office



Source: External supplier reporting and BCLC internal reporting

Water Use (m3/m2) – Vancouver Office measures the total cubic metres of water consumed by BCLC's Vancouver office, divided by the number square metres of office space in that building. To align with Government's reporting cycle, our data for this metric covers the calendar year.

In our Vancouver office, we consumed 2,732 m3 of water – 0.26 (m3/m2) – in 2014. This total includes an amount based upon building size and applied to site irrigation (437 m3). The Vancouver building has Leadership in Energy and Environmental Design (LEED) rated water saving fittings, helping to reduce consumption. Differences in water consumption between our two offices are due to the age of the Kamloops facility and its infrastructure. In 2014, water use in the Vancouver office was within the range of the top performing 25 per cent of commercial buildings water consumption.

More on this measure

This measure tracks progress towards our SR strategy of reducing water usage.

This metric is related to the following material issues:
Environmental impacts, water use

Benchmarks and Data Reliability

How we measure and benchmark

Water Use (m3/m2) – Vancouver Office measures the total cubic metres of water consumed by our Vancouver office, divided by the number of cubic metres of office space in that building.

BCLC benchmarks against industry standards, represented in BOMA – the Building Owners and Managers Association of British Columbia – which has the leading environmental certification program for existing buildings in Canada. BOMA water consumption intensity from the BOMA Best Energy and Environmental Report, 2011:

Top performing 25 per cent of buildings consumption = 0.2 - 0.39 m3/m2

Upper middle 25 per cent of buildings consumption = 0.4 - 0.74 m3/m2

In 2014/15, BCLC's water use in the Vancouver office was within the range of the top performing 25 per cent of buildings water consumption.

Data Reliability

BCLC receives monthly reporting from Bentall, the building owner of our Vancouver office. The report shows the metered total, plus a percentage for grounds watering based upon the building floor space compared to the rest of the Broadway Tech Centre Bentall property.

Office Water Use (m3/m2) Kamloops Office

Office Water Use (m³/m²)
Kamloops Office



Source: External supplier reporting and BCLC internal reporting

Water Use (m3/m2) – Kamloops Office measures the total cubic metres of water consumed by BCLC's Kamloops office, divided by the number square metres of office space in that building. To align with Government's reporting cycle, our data for this metric covers the calendar year.

In our Kamloops office, we consumed 3,678 m³ of water – 0.26 m³/m² – in 2014. The Kamloops building is significantly older than our Vancouver office, and does not have water saving fittings that typically help to reduce consumption. As infrastructure is replaced due to end-of-life, we will strive to use more efficient fittings. Water use may increase slightly in 2015 as the parking deck is currently under construction. We will monitor whether this activity results in a significant increase in water use next year.

More on this measure

This measure tracks progress towards our SR strategy of reducing water usage.

This metric is related to the following material issues:

Environmental impacts, water use

Benchmarks and Data Reliability

How we measure and benchmark

Water Use (m3/m2) – Kamloops Office measures the total cubic metres of water consumed by our Kamloops office, divided by the number of cubic metres of office space in that building.

BCLC benchmarks against industry standards, represented in BOMA – the Building Owners and Managers Association of British Columbia – which has the leading environmental certification program for existing buildings in Canada. BOMA water consumption intensity from the BOMA Best Energy and Environmental Report, 2011:

Top performing 25 per cent of buildings consumption = 0.2 - 0.39 m³/m²

Upper middle 25 per cent of buildings consumption = 0.4 - 0.74 m³/m²

In 2014/15 BCLC's water use in the Vancouver office was within the range of the top performing 25 per cent of buildings water consumption as indicated in the chart below.

Data Reliability

BCLC receives an annual report from the City of Kamloops which uses metering to measure the total water consumption of our Kamloops office.

Gaming Facilities that Use CSR Reporting Tool Software

Gaming Facilities that Use CSR
Reporting Tool Software
(%)



Source: BCLC internal reporting

Gambling Facilities That Use SR Reporting Tool Software measures the percent of our casino and community gaming centre facilities that are contributing data to BCLC's SR reporting software.

In 2014/15, we doubled the number of casino facilities that contribute data to BCLC's SR reporting software. In addition, BCLC has provided ongoing consultation and technical support to the participating service providers. We will continue to encourage our service provider gambling facilities to utilize this tool to help them measure and ultimately decrease their energy use. In 2015, we will also focus on supporting service providers who currently use this software.

More on this measure

This measure tracks progress towards our SR strategy of engaging BCLC's service providers in reducing their environmental impacts. For those that currently use the SR reporting software, it serves as an internal tracking tool that helps them understand their building energy trends.

This metric is related to the following material issues:

Environmental impacts, GHG emissions, stakeholder engagement

Benchmarks and Data Reliability

How we measure and benchmark

Gambling Facilities That Use SR Reporting Tool Software measures the number of casinos and community gaming centres that contribute data (e.g. to track energy use in their buildings) to BCLC's internal reporting software. We do not externally benchmark as other gambling jurisdictions and B.C. Crown corporations do not publish comparable information.

Data Reliability

The number of gambling facilities that use BCLC's SR reporting tool software is internally tracked by our SR team.

Profit

The Province of B.C. founded BCLC 30 years ago with the purpose of giving back to British Columbia, – and helping communities grow. Today, \$0.89 of every dollar played goes back into the Province.

Looking back on the past 12 months, our renewed focus on growth paid off in spades; \$1.25 billion in net income. We secured major sales and distribution partners, and delivered on market demand for facilities, amenities and higher limits. Our focus on creating efficiency and agility, while controlling costs continue to maximize benefits to B.C.

Below are some highlights of our achievements from 2014/15.

Health and well-being around B.C.

Last year alone, \$147.3 million generated from gaming helped keep B.C. communities healthy and thriving. Funding dedicated to the Province's Health Special Account supports research, education and patient resources for a wide spectrum of health initiatives for British Columbians. For more information on BCLC's contributions to the province, visit the Play it Forward website.

Our Winners

BCLC also brings big cheques and big smiles to players year round. Just ask proud new mom, Kimberlie Bouchard, who came forward to collect her \$1 million Lotto 6/49 prize last September. The Sooke resident admits she had to check the ticket multiple times herself on the Check-a-Ticket terminal, before calling her husband in to confirm she had won. Bouchard and her husband plan to buy a house and put aside money for their son.

Last year in British Columbia, BCLC gave away \$659.5 million in prizes to Lottery and eGaming players.

Kamloops Head Office Economic Impact

A Thompson Rivers University study released in January 2015 estimates BCLC's head office has had an economic impact of \$1.1 billion on the community of Kamloops since it opened on April 1, 1985. The study notes that 80 per cent of employees have completed post-secondary education, resulting in higher than average salaries for the city. In addition, the study estimates that for every two jobs at BCLC, one is created in the community.

Fun Fact

New Westminster is a prime example of BCLC's economic and social contributions to Host Local Governments. Gaming proceeds have helped build several community amenities, including the new Anvil Centre, which opened in September.

Net Income

Net Income

(\$ millions)



Source: Net Income is from BCLC Audited Financial Statements and is calculated in accordance with International Financial Reporting Standards (IFRS).

Net income is the total amount of income generated from BCLC gambling and is comprised of sales less: prizes, direct expenses, gaming support costs, general operating costs, amortization and taxes. It is calculated in accordance with International Financial Reporting Standards (IFRS). BCLC's net income is delivered to the Province and used to benefit British Columbians through funding of public health care, education and charitable and community programs. Through an agreement between the federal and provincial governments, the Government of Canada receives a portion of the net income BCLC generates.

In 2014/15, BCLC exceeded its target and achieved a result of \$1,254.5 million in net income. The growth in net income represents a 6.8 per cent increase over 2013/14. This growth is due primarily to higher than budgeted revenue in our high-limit tables category, and lower than budgeted costs. This is due to ongoing cost management, lower staff costs resulting from a higher vacancy rate than budgeted, and a one-time amortization adjustment. In 2015/16, we aim to deliver our committed net income for the Province and the benefit of British Columbians. We anticipate higher gaming support, operational and amortization costs due to a growing technology asset base, stabilizing staffing levels and marketing initiatives to sustain revenue.

More on this measure

This measure is a direct indicator of our success in meeting our mandate to generate income in a socially responsible way for the benefit of all British Columbians.

This metric is related to the following material issues:

Player experience, community socio-economic benefits, gambling expansion, public support for BCLC

Benchmarks and Data Reliability

How we measure and benchmark

Net Income is the calculation of total sales after prizes, direct expenses, gaming support costs, general operating costs, amortization and taxes have been deducted and is reported using financial information from BCLC's publicly reported financial statements.

BCLC's net income is analyzed on a time series basis and is not benchmarked with other jurisdictions due to differences in the types of gambling offered by the jurisdiction, differing gaming models and population levels.

Data Reliability

Net income figures are taken from our audited statement of accounts, as published in our Annual Service Plan Report. Forecasts and targets are calculated by BCLC in accordance with International Financial Reporting Standards (IFRS) and are reviewed with the Treasury Board prior to inclusion in BCLC's Service Plan.

Comprehensive Costs Ratio

Comprehensive Costs Ratio
(% net of win)



Source: BCLC Audited Financial Statements

The Comprehensive Costs Ratio is the sum of direct, gaming support, operating, amortization and other costs (excluding taxes), divided by net win and expressed as a percentage. It is intended to gauge operational efficiency.

In 2014/15, BCLC's comprehensive costs ratio of 41.9 per cent met our target, with a direct cost increase of one per cent offset by lower gaming support and operating expenses. In future years, this ratio will reflect higher direct costs due to a shift towards popular table games that are more labour intensive to deliver. Also, operating, gaming support and amortization in coming years are expected to rise due to normalizing the employee vacancy rate and investing in marketing and technology.

More on this measure

Our comprehensive costs ratio is a measure of our operational efficiency. It indicates how successful we are in balancing the generation of revenue with the cost of operating our business.

This metric is related to the following material issues:

Player experience, managerial competence, ethical conduct

Benchmarks and Data Reliability

How we measure and benchmark

Our Comprehensive Cost Ratio is the sum of our direct expenses (except prizes), including BCLC private sector service provider commissions and ticket printing, gaming support costs, general operating costs and amortization, divided by our consolidated net win and expressed as a percentage.

Including private sector service provider commissions in our direct expenses more closely normalizes BCLC to the different operating models of other jurisdictions (i.e., instead of operating our gambling facilities directly, BCLC pays commissions to private sector service providers). Ticket printing is also included, as many other gambling jurisdictions do not separate this cost from their consolidated operating costs. In some instances, restatement of financial information by benchmark organizations has caused changes to prior reported figures.

Comprehensive Costs Ratio is benchmarked on a time series basis.

Data Reliability

Direct expenses, gaming support costs, general operating costs and amortization are taken from our audited statement of accounts as published in our Annual Service Plan Report. All figures are determined in accordance with International Financial Reporting Standards.

Figures for forecasts and targets are calculated by BCLC and are reviewed with the Treasury Board prior to inclusion in the Service Plan.